



Irish Life Weekly Investment Bulletin

The week that was – WEEK 07 2018 (ending 16/02/2018)

“Quality means doing it right when no one is looking.” – Henry Ford

Irish exports in 2017 hit record high – The Central Statistics Office reported that preliminary figures for 2017 show exports totalled €122,139 million in 2017, the highest annual total on record. This is an increase of €2,846 million (+2%) over 2016. The largest change was the 17% increase in medical/pharmaceutical goods.

Irish residential property prices rise by 12.3% in the year to December – The CSO reported that residential property prices at national level increased by 12.3% year-on-year in December, with Dublin prices up by 12.3% and the Rest of Ireland by 13.3%, with the West region showing the greatest price growth.

Global stock market up 3.7% on the week – The MSCI AC World TR Index showed a 3.67% rise from 9th February to 16th February, with the U.S. stock market having its best week in five years, as markets focused on strong economic and earnings fundamentals. The VIX finished the week at 19.46, down from 29.06 on 9th.

U.S. inflation in January of 0.5% beats estimates – The Labour Department reported that the consumer price index rose 0.5% in January from December, above the median estimate of economists for a 0.3% increase. The year-on-year rise from January 2017 was 1.8%, a little higher than the 1.7% estimated.

Japan marks the longest period of GDP growth in 28 years – The Cabinet Office reported that the economy expanded an annualised 0.5% in the fourth quarter, marking eight quarters of GDP growth, the longest period of continuous growth since 1989. Domestic demand drove Q4 growth, not the usual exports.

UK inflation sticks at near six year high in January – The Office of National Statistics (ONS) reported that consumer price inflation unexpectedly held at an annual rate of 3.0% in January, unchanged from December, after hitting its highest since March 2012 in November at 3.1%, increasing chances of interest rate increase.

The Story of the week: Daniel Craig has given the licence to sell his limited edition centennial 2014 midnight blue Aston Martin Vanquish, numbered 007. Aston Martin produced just 100 examples to celebrate its 100th anniversary. Proceeds from the sale will benefit New York-based charity, The Opportunity Network, which helps students from disadvantaged communities. Craig and his wife, actress Rachel Weisz, both sit on the organization's board of directors. The car's value is estimated at \$400,000 to \$600,000 and it will be displayed at Christie's showrooms.

DISCLOSURE: Irish Life Investment Managers Limited is regulated by the Central Bank of Ireland. While Irish Life Investment Managers uses reasonable efforts to ensure that the information contained in this document is current, accurate and complete at the date of publication, no representations or warranties are made (express or implied) as to the reliability, accuracy or completeness of such information. Irish Life Investment Managers therefore cannot be held liable for any loss arising directly or indirectly from the use of, or any action taken in reliance on, any information contained in this document. This material is for information only and does not constitute an offer or recommendation to buy or sell any investment and has not been prepared based on the financial needs or objectives of any particular person. It is intended for the use of institutional and other professional investors. Past performance and forecasts may not be a reliable guide to future performance and performance may fall as well as rise. Changes in currency exchange rates may have an adverse effect on the value, price or income of any investment asset.

Index Performances and Market Data*

Equity and Bond Markets % (in Local Currency)	2013	2014	2015	2016	2017	2018 YTD (to 16/02)
MSCI AC World (Gross TR)	26.2	9.9	1.8	9.7	20.4	0.6
ISEQ Overall Return	35.8	16.8	33.6	-2.7	9.7	-3.1
FTSE 100 TR	18.7	0.7	-1.3	19.1	11.8	-5.0
Euro Stoxx 50 TR	21.5	4.0	6.4	3.7	9.2	-2.0
S&P 500 TR	32.4	13.7	1.4	12.0	21.8	2.5
Nasdaq Composite	38.3	13.4	5.7	7.5	28.2	4.9
Nikkei 225	56.7	7.1	9.1	0.4	19.1	-4.6
MSCI Emerging Markets	0.9	2.6	-8.0	7.1	27.8	2.4
Eurozone Government Bonds 1–5 yr	2.1	3.4	1.0	0.9	-0.2	-0.2
Sovereign 10yr Bond Yields (%)	2013	2014	2015	2016	2017	2018 YTD
U.S.	3.0	2.2	2.2	2.4	2.4	2.9
German	1.9	0.5	0.6	0.2	0.4	0.7
UK	3.0	1.9	1.9	1.2	1.2	1.6
Japan	0.7	0.3	0.2	0.0	0.0	0.1
Ireland	3.4	1.3	1.1	0.7	0.7	1.1
Italy	4.1	2.1	1.6	1.8	2.0	2.0
Greece	8.2	9.6	7.9	7.1	4.1	4.2
Portugal	6.1	2.7	2.5	3.8	1.9	2.0
Spain	4.1	1.6	1.7	1.4	1.6	1.5
Central Bank Rates (%)	2013	2014	2015	2016	2017	2018 YTD
ECB	0.25	0.05	0.05	0.0	0.0	0.0
Bank of England	0.25	0.50	0.50	0.25	0.50	0.50
U.S. Federal Reserve	0.25	0.25	0.50	0.75	1.50	1.50
Foreign Exchange Rates	2013	2014	2015	2016	2017	2018 YTD
Euro/Dollar (€/\$)	1.37	1.21	1.09	1.04	1.20	1.24
Euro/Sterling (€/£)	0.83	0.78	0.75	0.84	0.89	0.88
Sterling/Dollar (£/\$)	1.65	1.56	1.46	1.24	1.36	1.40
IPD All Property Return % (in Local Currency)	2012	2013	2014	2015	2016	2017
Ireland	3.1	12.7	40.1	25.0	12.8	8.0% (to end of Q4)
U.K.	2.7	10.7	17.8	13.1	3.6	7.1% (to end of Q3)
U.S.	5.3	11.4	11.2	12.1	7.8	5.0% (to end of Q3)

*Past performance is not a reliable guide to future performance